

Message Text

UNCLASSIFIED

PAGE 01 ROME 09221 280636Z

12

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AGR-10 EB-07 AID-05 CEA-01

CIAE-00 COME-00 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02

STR-04 TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /069 W

----- 100136

R 261536Z JUN 75

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1792

INFO USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LUXEMBOURG

AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY COPENHAGEN

USMISSION GENEVA

US-MTN GENEVA

AMCONSUL MILAN

AMEMBASSY MADRID

UNCLAS ROME 9221

E.O. 11652: N/A

TAGS: EAGR IT

SUBJ: EC-MAGHREB: CONCESSIONS TO ITALIANS IN CITRUS SECTOR

STATE PASS AGRICULTURE/FAS

FROM AGRICULTURAL ATTACHE

1. /SUMMARY/. PRELIMINARY ANALYSIS OF CITRUS CONCESSIONS TO ITALY
BY EC AGMINS IN LUXEMBOURG IN EXCHANGE FOR ACCORD ON AGRICULTURAL
IMPORTS FROM MAGHREB SHOWS TWO EC CONCESSIONS TO ITALY, ON
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ROME 09221 280636Z

LEMONS AND ON PROCESSING PREMIUMS FOR ORANGES, MAY AFFECT U.S.

EXPORTS. /END SUMMARY./

2. RELYING ON PRESS REPORTS OF CONCESSIONS GRANTED IN CITRUS SECTOR TO ITALY BY EC IN EXCHANGE FOR ACCORD REACHED IN LUXEMBOURG ON AGRICULTURAL IMPORTS FROM MAGHREB, AGATT OFFICE SEES TWO OF THESE CONCESSIONS DIRECTLY AFFECTING U.S. EXPORTS, WITH A THIRD ALSO PERTINENT.

(A) LIMONS- EXPENTION OF PENETRATION PRICE SYSTEM FOR ORANGES (SUBSIDIES ON ITALIAN EXPORTS TO OTHER EC COUNTRIES) TO COVER LOMONS MAY PUT U.S. LEMON SALES TO WEST GERMANY AND OTHER EC MEMBERS AT A DISADVANTAGE. CALIFORNIA LEMONS ALREADY COMMAND A HIGHER PRICE IN WEST GERMAY, LARGEST U.S. MARKET IN EC, THAN ITALIAN LEMONS BECAUSE OF BETTER QUALITY AND PACKAGING, HENCE THIS SUBSIDY WILL WIDEN THE PRICE SPREAD. IT SHOULD BE NOTED THAT THE REPORTED SUBSIDY OF ABOUT 40 LIRE/KILO, DEPENDING ON LEMON VARIETY, WOULD AT PRESENT PRICES REPRESENT 50 PERCENT SUBSIDY. WITH GLOBAL MEDITERRANEAN POLICY OF INCREASED PREFERENTIAL TREATMENT PRESUMABLY ABOUT TO INCOMPASS SPAIN,

ITALIAN EVIDENTLY WANTED AND GOT PROTECTION IN ADVANCE.

(B) TRANSFORMATION PREMIUM ON ORANGES. ALL PROCESSING OF ORANGES IN ITALY WILL BE SUBSIDIZED. UNDER PREVIOUS SYSTEM, ONLY THE AMOUNT PROCESSED ABOVE A FIRM'S "NORMAL" PRODUCTION LEVEL (BASED ON AN AVERAGE OF X YEARS) IS GIVEN A SUBSIDY. THE CHANGE WILL HELP MAKE ITALIAN JUICE MORE COMPETITIVE IN WORLD MARKETS, AND WILL PROBABLY BRING ABOUT AN INCREASE IN ORANGE JUICE PRODUCTION (IF ONLY FROM FRUIT THAT WOULD OTHERWISE BE DESTROYED), THUS INDIRECTLY AFFECTING U.S. SALES TO SOME COUNTRIES.

(C) CITRUS JUICE IMPORTS. THE EXTENSION OF THE SAFEGUARD CLAUSES WHICH EFFECTIVELY BLOCK CITRUS JUICE IMPORTS INTO ITALY IS MERELY EXTENSION OF STATUS QUO (ASSUMING GRAPEFRUIT JUICE CONTINUES TO BE EXEMPT). ON THE OTHER HAND, PRIVATE U.S. EFFORTS TO SET UP PROGRAM OF EXPORTING CITRUS CONCENTRATES INTO ITALY IN EXCHANGE FOR TECHNICAL ASSISTANCE WILL THUS CONTINUE TO FACE EC-SACTIONED BARRIERS.

3. PRESS REACTION HAS STRESSED POLITICAL IMPORTANCE OF AGMIN MARCORA'S NEEDING TO OBTAIN SOMETHING FOR ITALY IN EXCHANGE FOR EC'S REDUCING TARIFFS TO MEDITERRANEAN COUNTRIES.
/CORRIERE DELLA SERA/ REPORTS GERMANS AGREED TO PROGRAM BECAUSE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ROME 09221 280636Z

THEY EXPECTED ITALIAN TO ENSNARL THEMSELVES IN USUAL RED TAPE AND THUS NOT TAKE FULL ADVANTAGE OF CONCESSIONS WHICH WOULD MEAN LESS COST TO FEOGA AND INDIRECTLY GERMANY. CONFAGRICOLTURA, LARGE-SCALE FARMERS ORGANIZATION, CALLED THE PACKAGE DEAL A GOOD MEASURE WHICH UNFORTUNATELY DOES NOT GO FAR ENOUGH TO PROTECT ITALIAN FARMERS AND WHICH WILL NEED TO BE

ACCOMPANIED BY CONCURRENT ITALIAN STRUCTURAL REFORM AND IMPROVED
MARKETING AND DISTRIBUTION SYSTEM.VOLPE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE CONCESSIONS, CITRUS FRUITS, AGRICULTURAL IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ROME09221
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750224-0704
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750613/aaaaalml.tel
Line Count: 117
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 26 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 FEB 2003 by PhilliR0>; APPROVED <12 MAR 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC-MAGHREB: CONCESSIONS TO ITALIANS IN CITRUS SECTOR STATE PASS AGRICULTURE/FAS
TAGS: EAGR, IT, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006